

**STATE OF UTAH**  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐  
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: UTU-81311	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Enduring Resources, LLC				9. WELL NAME and NUMBER: Bonanza 9-24-24-23	
3. ADDRESS OF OPERATOR: 475 17th St., Ste 1500 CITY Denver STATE CO ZIP 80202				PHONE NUMBER: (303) 350-5114	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 560' FSL - 1878' FWL 655049X 40.615623 AT PROPOSED PRODUCING ZONE: Same 44308624 -109.183265				10. FIELD AND POOL, OR WILDCAT: Undesignated	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 41.6 miles south of Bonanza, UT				12. COUNTY: Uintah	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 560'		16. NUMBER OF ACRES IN LEASE: Approx. 640		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1000' +		19. PROPOSED DEPTH: 13,040		20. BOND DESCRIPTION: RLB0008031	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5582' RT-KB		22. APPROXIMATE DATE WORK WILL START: 12/1/2008		23. ESTIMATED DURATION: 45 days	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
20"	14" line pipe			40	3 yards Ready Mix		
11"	9-5/8"	J-55	36#	2,016	Premium Lead	498 sxs	3.50 11.1
					Premium Tail	196 sxs	1.15 15.8
7-7/8"	7"	N-80	26#	9,000	Class G	94 sxs	3.3 11.0
					50/50 Poz Class G	635 sxs	1.56 14.3
4-1/2"	4-1/2"	N-80	15.1#	13,040	Class G	22 sxs	3.3 11.0
					50/50 Poz Class G	810 sxs	1.56 14.3

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Alvin R. (Al) Arlian TITLE Landman - Regulatory Specialist

SIGNATURE [Signature] DATE 8/20/2008

(This space for State use only)

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**RECEIVED  
AUG 25 2008**

API NUMBER ASSIGNED: 43-647-40338

APPROVAL:

Date: 08-28-08  
By: [Signature]

DIV. OF OIL, GAS & MINING

**T9S, R24E, S.L.B.&M.**

**ENDURING RESOURCES, LLC**

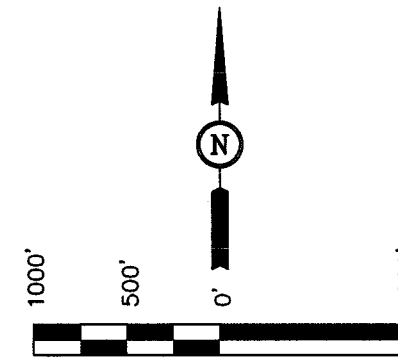
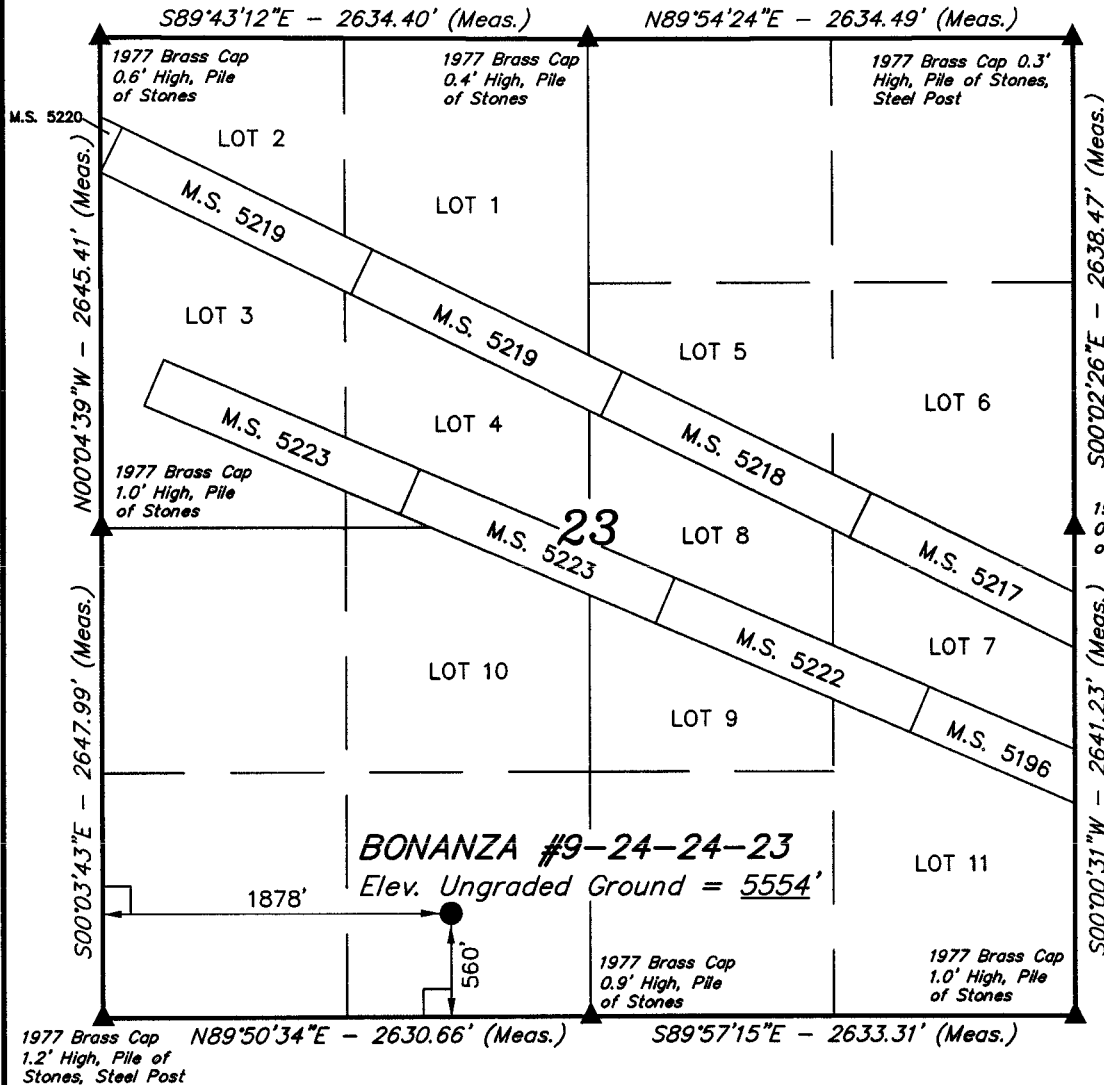
Well location, BONANZA #9-24-24-23, located as shown in the SE 1/4 SW 1/4 of Section 23, T9S, R24E, S.L.B.&M. Uintah County, Utah.

**BASIS OF ELEVATION**

BENCH MARK (45 EAM) LOCATED IN THE NW 1/4 SW 1/4 OF SECTION 34, T8S, R24E, S.L.B.&M. TAKEN FROM THE BONANZA, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5350 FEET.

**BASIS OF BEARINGS**

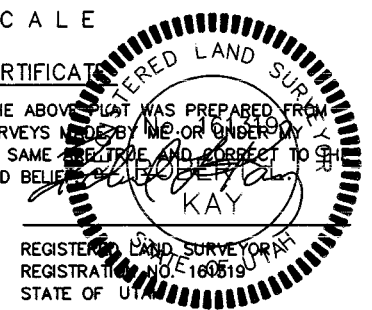
BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



**LEGEND:**

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)  
 LATITUDE = 40°00'56.30" (40.015639)  
 LONGITUDE = 109°11'02.91" (109.184142)  
 (AUTONOMOUS NAD 27)  
 LATITUDE = 40°00'56.42" (40.015672)  
 LONGITUDE = 109°11'00.49" (109.183469)

**UINTAH ENGINEERING & LAND SURVEYING**  
 85 SOUTH 200 EAST - VERNAL, UTAH 84078  
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 7-14-08	DATE DRAWN: 8-07-08
PARTY L.K. D.D. K.E.	REFERENCES G.L.O. PLAT	
WEATHER HOT	FILE ENDURING RESOURCES, LLC	

**Enduring Resources, LLC**  
**Bonanza 9-24-24-23**  
SE/4SW/4 of Sec 23-9S-24E  
Uintah County, Utah

Federal Lease: UTU-81311

**ONSHORE ORDER 1 - DRILLING PLAN**

**1. Estimated Tops of Geological Markers:**

Formation	Depth (K.B.)
Uinta	Surface
Green River	277
Wasatch	3577
Mesaverde	4884
Mancos	7193
Morrison	12040

**2. Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:**

Substance	Formation	Depth (K.B.)
	GR 5554'	
	KB-Uinta Elevation: 5582'	
Oil / Gas	Green River	277
Oil /Gas	Wasatch	3577
Oil /Gas	Mesaverde	4884
Oil /Gas	Mancos	7193
Oil /Gas	Morrison	12040
	Estimated TD	13040

A 12 1/4" surface hole will be drilled with air, air/mist, foam or mud depending on hole conditions to approximately 2016 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set and cemented to surface. Surface casing will be pre-set before drilling rig is moved on location. ProPetro Seivices Incorporated, or if not available, another Surface Hole Driller (collectively "Surface Hole Driller") will drill the surface hole. A 300 or 400 bbl tank of fresh water will be on location prior to commencement of operations to use as a kill fluid. The anchored blooie line shall be at least 6" in diameter and extend straight from the wellhead to the reserve/blooie pit. Surface Hole Driller's equipment includes a 1250 CFM compressor on the drilling rig along with a 1070 to 1170 CFM stand alone compressor. Surface Hole Driller's equipment shall be setup on the front side of the location with the rig between the driller and the reserve/blooie pit. The stand alone compressor will be adjacent to

the rig on the same side as the driller. Surface Hole Driller's equipment includes spark arrestors on engines, a diverter head, a mister close to the end of the blooie line for dust suppression, a continuously lit pilot light, a fluid pump to circulate kill fluids as necessary, a diverter on the end of the blooie line, a float valve in the drill string and kill switches.

**3. Pressure Control Equipment: (10,000 psi schematic attached)**

- A. Type: Eleven (11) inch Single Ram BOP, Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 5,000 psi casinghead, with 10,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume. A 10K BOPE stack will be used for the entirety of the well to reduce time required to change out equipment after each casing string.
- B. Pressure Rating: 10,000 psi BOP and 5000 psi Annular Preventer
- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the Annular Preventer rated working pressure for a period of three (3) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the annular preventer is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following installation up on intermediate casing string
- 4. Following related repairs; and
- 5. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

**Blow-Out Preventer**

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to 5000 psi when installed on 5000 psi Surface Casing Wellhead, and to the approved working pressure of the BOP stack after running Intermediate Casing and installing 10,000 psi "B" Section Wellhead. Pressure will be maintained for a period of at least three (3) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following installation on intermediate casing string
4. Following related repairs; and
5. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

4. **Proposed Casing & Cementing Program:**

A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
12 1/4"	9-5/8"	36#	J-55	ST&C	0 – 2,016' (KB) est.
8 1/2"	7"	26#	P-110	LT&C	0 – 9000' (KB)
6-1/8"	4-1/2"	13.5#	P-110	LT&C	0 – 13040' (KB)

The surface casing will have guide shoe. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next 16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe. Surface casing will be pre-set before drilling rig is moved on location.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	9-5/8", 36#/ft, J55, STC	2020/2.24(a)	3520/3.91 (b)	394/5.43(c)
9000' (KB)	7", 26#/ft, P-110, LTC	6210/1.18(d)	9960/1.90 (e)	693/2.96(c)
13040 (KB)	4-1/2", 13.5#/ft, P-110, LTC	10670/1.28(f)	12410/1.48 (g)	174/1.95(c)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in air
- (d.) based on full evacuation of pipe with 11.2 ppg fluid on annulus
- (e.) based on 11.2 ppg gradient, gas to surface, with no fluid on annulus,
- (f.) based on full evaluation of pipe with 12.5 ppg fluid on annulus
- (g.) based on 12.5 ppg gradient with no fluid on annulus

## **PROPOSED CEMENTING PROGRAM**

### **Surface Casing (if well will circulate)-Cemented to surface**

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
9-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	250	100	11.0	3.80
9-5/8"	Tail	500	Premium cement + 2% CaCl <sub>2</sub> + 0.25 pps celloflake	272	100	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft<sup>3</sup>/sx) cement will be premium cement w/ 3% CaCl<sub>2</sub>.+0.25 pps celloflake. Volume as required

### **Intermediate Casing - Cemented TD to 300' above base of surface casing**

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
7"	Lead	6784	Elastiseal™ System foamed cement w/ 1.5% foamer	723	50	12.0	1.75
7"	Tail	500	Elastiseal™ System unfoamed cement	76	50	14.3	1.47

**Production Casing and Liner - Cemented TD to 300' above top of Wasatch formation.**

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
4 1/2"	All	4170	Premium cement, 35% silica flour + 1.1% fluid loss + .85% retarder + .5% expanding additive + .4% suspension agent	594	20	15.1	1.695

Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

**5. Drilling Fluids (mud) Program:**

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' – 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-9000' (KB)	9.2-11.2	8 - 10 ml	32-42	LSND
9000'-13040' KB	9.2-12.5	8-10 ml	40-60	LSND

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

**6. Evaluation Program:**

Tests: No tests are currently planned.

Coring: No cores are currently planned.

Samples: No sampling is currently planned.

- Logging Dual Induction–SFL/Gamma Ray/Caliper/SP/TDLT/CNL/ML TD to Base Surface Casing – same for both intermediate casing point and TD. A Sonic log will be added to the run at TD.
- Cement Bond Log / Gamma Ray:  
TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

**7. Abnormal Conditions:**

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 8,476 psi (calculated at 0.65 psi/ft times depth).

**8. Anticipated Starting Dates:**

- Anticipated Commencement Date- Within one year of APD issue.
- Drilling Days- Approximately 45 days
- Completion Days - Approximately 20 days
- Anticipate location construction within 30 days of permit issue.

**9. Variances:**

Surface Drilling Operations

The blooie line will be a minimum of 35' which is the distance from the wellhead to the edge of the reserve/blooie pit. The contractor uses a diverter head instead of a rotating head and the contractor's two compressors shall be within 30' of the wellhead.

**10. Other:**

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust lands Administration upon their receipt.

Inclination surveys will be run every 2000 feet to monitor hole angle.



## **SELF-CERTIFICATION STATEMENT**

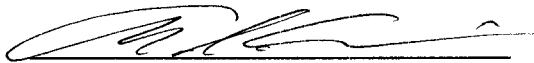
The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well (and the two additional "Federal" wells to be drilled from this same pad and federal lease).

### **Rock House Bonanza 9-24-24-23 Well**

Lease No. UTU-81311  
560' FSL-1878' FWL  
SESW Sec 23-9S-24E

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.



Alvin R. Arlian  
Regulatory Specialist  
Enduring Resources, LLC  
475 17th Street, Suite 1500  
Denver, CO 80202  
(303) 350-5114

August 19, 2008

ENDURING RESOURCES, LLC  
BONANZA #9-24-24-23  
SECTION 23, T9S, R24E, S.L.B.&M.

PROCEED IN AN EASTERLY, THEN SOUTHERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.9 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 36.6 MILES ON STATE HIGHWAY 45 TO THE JUNCTION OF THIS ROAD AND AN EXISTING COUNTY ROAD (#3410) TO THE WEST; TURN RIGHT AND PROCEED IN A WESTERLY, THEN NORTHWESTERLY DIRECTION APPROXIMATELY 1.0 MILE TO THE BEGINNING OF THE PROPOSED ACCESS TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.1 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 41.6 MILES.

**Enduring Resources, LLC**  
**Bonanza 9-24-24-23**  
SE/4SW/4 of Sec 23-9S-24E  
Uintah County, Utah

Federal Lease: UTU-81311

**MULTI-POINT SURFACE USE & OPERATIONS PLAN**

**1. Existing Roads:**

Beginning at the city of Vernal, Utah, proceed in a easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of State Highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 36.6 miles on State Highway 45 to the junction of this road and County Road #3410 to the west; turn right and proceed in a westerly, then northwesterly direction approximately 1.0 mile to the beginning of the proposed access to the southeasterly direction approximately 0.1 miles to the proposed location.

The total distance south from Vernal, Utah is approximately 41.6 miles

**2. Planned Access Roads:**

- I. The proposed access road will be approximately 0.1 mile of new construction, all on-lease.
- II. The balance of the road access from State Highway 45 (1.0 mile) will be using County Road #3410.

Please refer to Topo Map "B" for the takeoff point for the new road construction.

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as necessary to provide a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during operations. All traffic will be confined to the approved disturbed surface. Road drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

**3. Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" attached):**

The following wells are wells located within a one (1) mile radius of the proposed location.

- a. (1): Water Wells:
  - 1. WIN: 427590 (Non-Productive) N/2 Sec 25-9S-24E
- b. None: Injection Wells:
- c. None: Producing Wells:
  - 1. NE/4 of Sec 27-9S-24E
- d. None: Drilling Wells:
- e. None: Shut-in Wells:
- f. None: Temporarily Abandoned Wells:
- g. None: Disposal Wells:
- h. None: Abandoned Wells:
  - 1. NW/4 of Sec 26-9S-24E
- i. None: Dry Holes:
- j. None: Observation Wells:
- k. (2): Pending (staked) Wells:
  - 1. There are two other proposed wells Section:
    - i. Bonanza 9-24-34-23 (SW/4SE/4)
    - ii. Bonanza 9-24-13-23 (NW/4SW/4)

**4. Location of Existing and/or Proposed Facilities:**

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the rocky Mountain Five State Inter-Agency Committee

All facilities will be painted within 6 months of installation. The color shall be Dark Olive Black. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline:	ON-LEASE	1250'	BLM
	OFF-LEASE	-0-	

If the well is capable of economic production, a surface gas gathering line and related equipment shall be installed for year around usage. Approximately 1,250 feet of 4" or less surface gas gathering pipeline shall be laid to minimize surface disturbance.

The proposed pipeline will begin at the well site, be laid by the westside of the access road, then on the southside of the county to the tie-in point.

A permit to cut the county road will be needed prior to the tie-in point.

The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

## **5. Location and Type of Water Supply:**

Water will be purchased from American Gilsonite from the following source. Water Right No. 49-222, Application/Claim No. A29909/a4958, Certificate No. 9915 ("AGC Water Right"). The AGC Water Right consists of nineteen underground water wells located in Sec.2, T10S, R24E, SLBM, piped to and stored in a cistern located in Section 25, T9S, R24E.

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

**6. Source of Construction Materials:**

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

**7. Methods of Handling Waste Materials:**

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break or allow discharge of liquids.

The reserve pit will be lined with ¼ inch felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to one of the following Enduring water disposal wells.

- A. Buck Camp 11-22-14-36 WDW, T11S-R22E, Sec 36: SWSW, or if not available,
- B. Southman Canyon 9-23-22-36 WDW , T9S-R23E, Sec 36: SENW.

**8. Ancillary Facilities:**

During drilling operations, approximately 30 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

**9. Well Site Layout: (Refer to Sheets #2, #3, and #4)**

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- a. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- b. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- c. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two fence posts shall be no greater than 16 feet.
- e. All wire shall be stretched by, using a stretching device, before it is attached to corner posts.
- f. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

- g. Location size may change prior to drilling the well due to the current rig availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

## **10. Plans for Surface Reclamation:**

### **Producing Location:**

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- b. Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 40CFR 3162.7.
- c. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.
- d. The reserve pit and that portion of the location not needed for production facilities / operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- e. To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- f. Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

### **Dry Hole/Abandoned Location:**

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

### **Seed Mixture for Windrowed Top Soil Will Included:**

To be provided by the BLM



**11. Surface Ownership: Location, Access and Pipeline Route:**

Wellsite: Bureau of Land Management

Access: Bureau of Land Management

Pipeline: Bureau of Land Management (subject to County cut or bore approve)

**12. Other Information**

**On-site Inspection for Location, Access and Pipeline Route:**

1. The on-site for this well was held on March 1, 2005.
2. The original permit to drill was filed with the BLM by The Houston Exploration Company and then rescinded by Enduring Resources, LLC upon assignment of that permit from Houston to Enduring.
3. The DOG&M assigned API #43-047-36641 to this well when the DOG&M permit to drill was approved on 5-2-2005. That permit has now expired.

**Special Conditions of Approval:**

None for this well(s).

**Archaeology and Paleontology:**

- a. A Cultural Resource Inventory Report is attached hereto, and
- b. A Paleontology Reconnaissance Report has been ordered.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

**13. Lessee's or Operator's Representatives:**

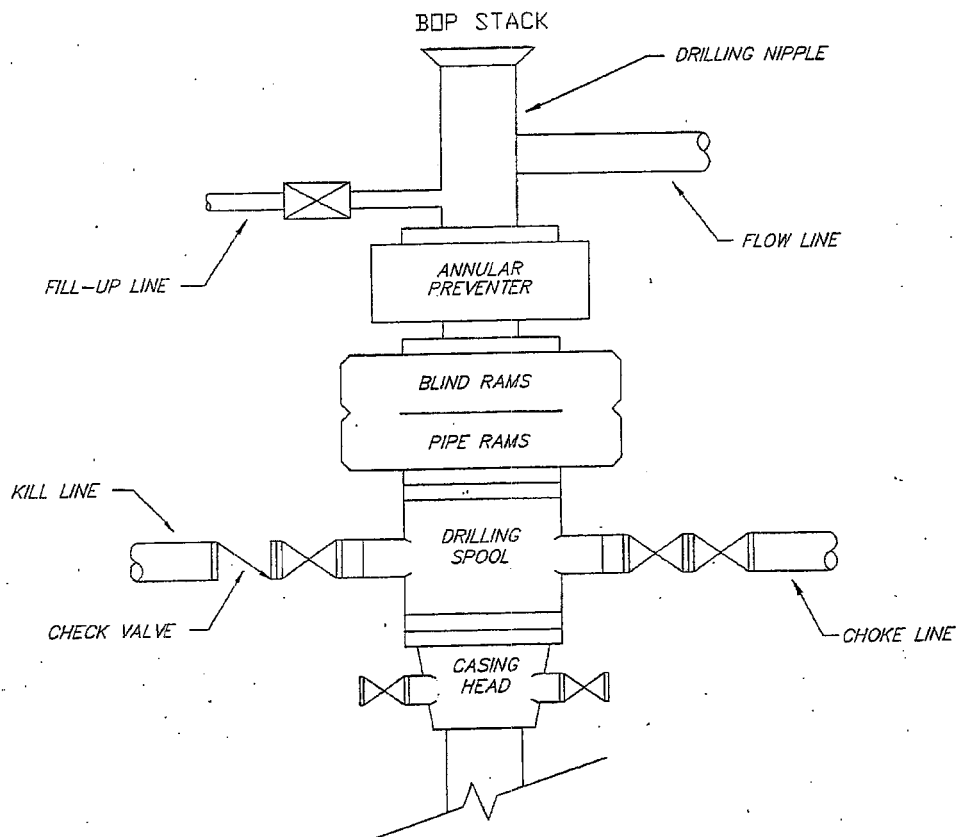
**Representatives:**

Alvin R. (Al) Arlian  
Landman – Regulatory Specialist  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, Colorado 80202  
Office Tel: 303-350-5114  
Fax Tel: 303-573-0461  
[aarlian@enduringresources.com](mailto:aarlian@enduringresources.com)

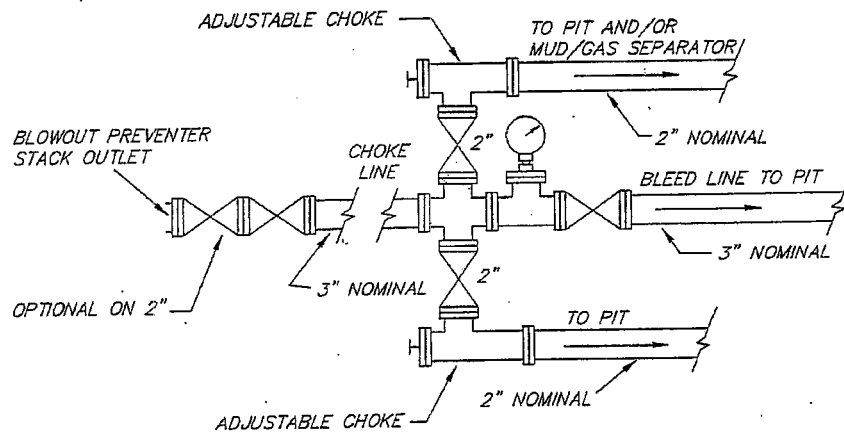
Carroll Estes  
Utah Production Superintendent  
Enduring Resources, LLC  
759 East 500 South  
Vernal, UT 84078  
Office Tel: 435-781-0172  
Fax Tel: 435-781 0174  
[cestest@enduringresources.com](mailto:cestest@enduringresources.com)

## ENDURING RESOURCES, LLC

### *TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC*



### *TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC*



# ENDURING RESOURCES, LLC

**BONANZA #9-24-24-23**

LOCATED IN UTAH COUNTY, UTAH  
SECTION 23, T9S, R24E, S.L.B.&M.

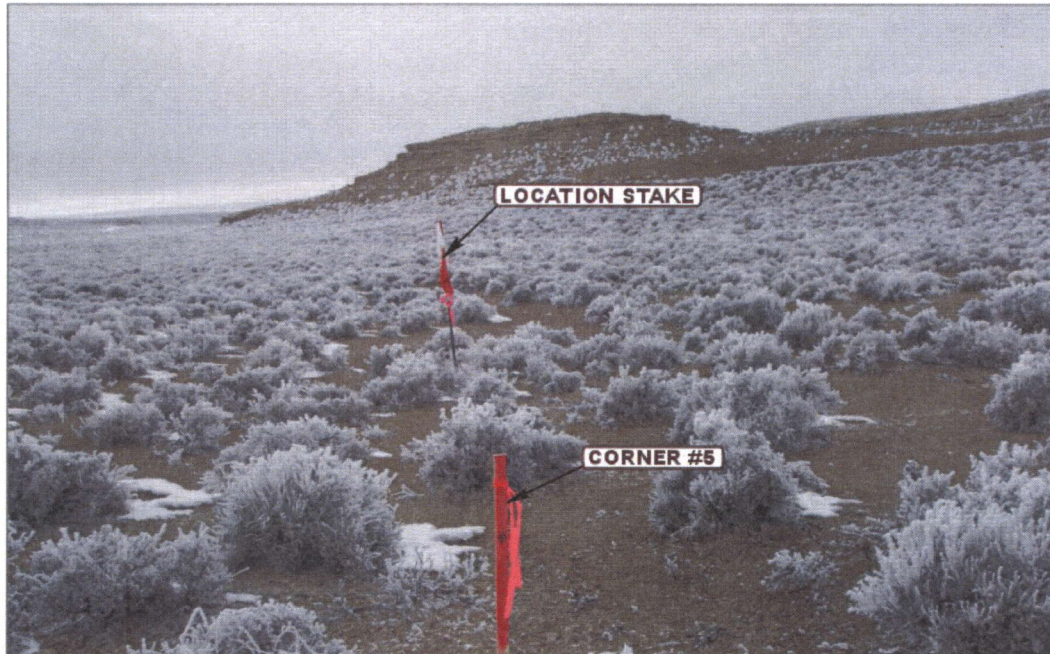


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



**UELS**

Uintah Engineering & Land Surveying  
85 South 200 East Vernal, Utah 84078  
(435) 789-1017 \* FAX (435) 789-1813

**LOCATION PHOTOS**

**01 31 05**  
MONTH DAY YEAR

PHOTO

TAKEN BY: G.O.

DRAWN BY: C.P.

REV: 08-13-08 Z.L.

# ENDURING RESOURCES, LLC

## LOCATION LAYOUT FOR

BONANZA #9-24-24-23  
SECTION 23, T9S, R24E, S.L.B.&M.  
560' FSL 1878' FWL

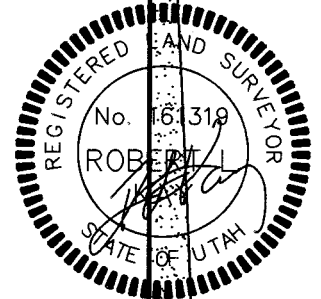
FIGURE #1

SCALE: 1" = 50'  
DATE: 08-07-08  
Drawn By: K.E.

Proposed Access Road

F-4.2'  
El. 48.6'

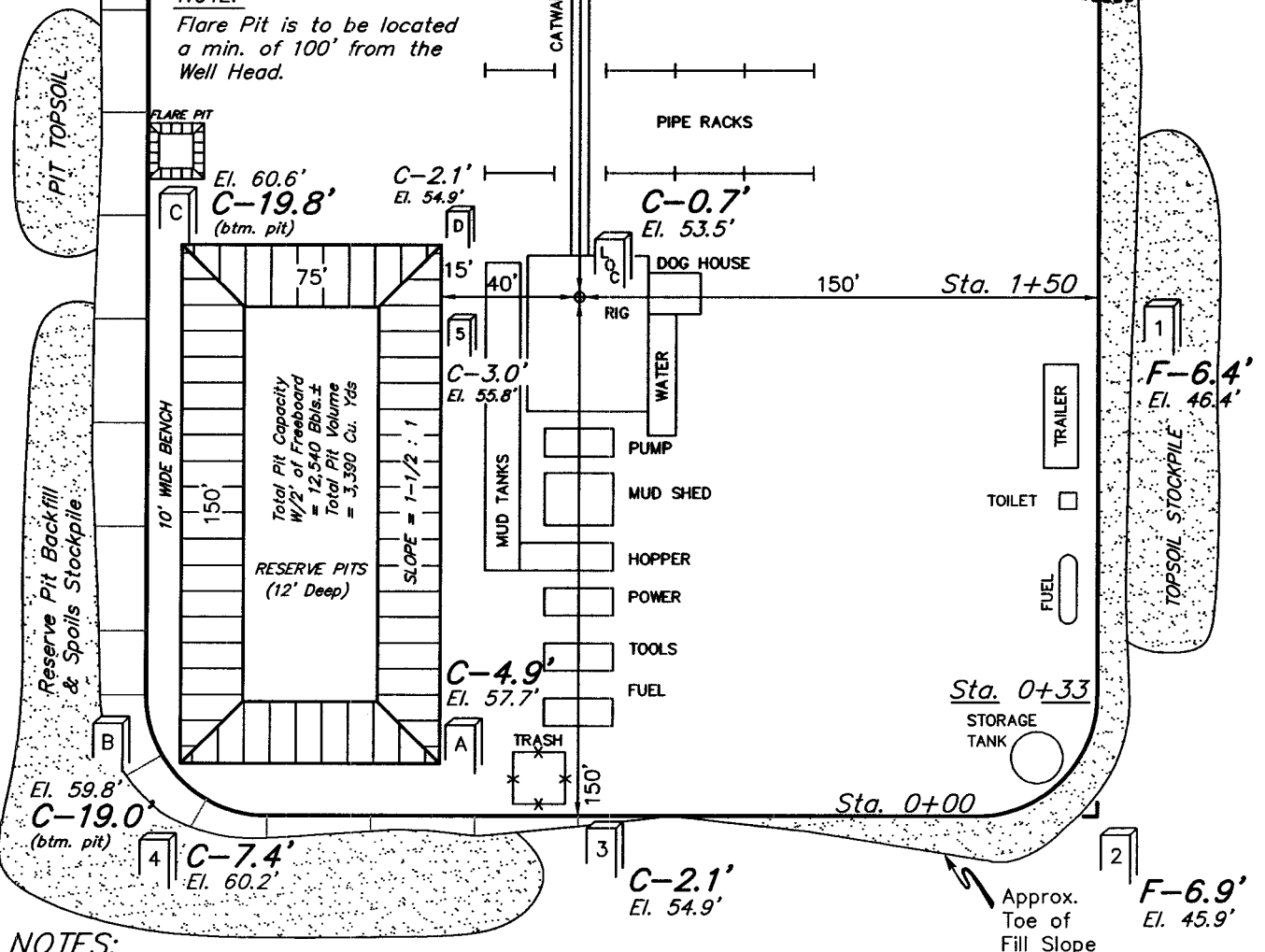
Sta. 3+30



Approx.  
Top of  
Cut Slope

### NOTE:

Flare Pit is to be located  
a min. of 100' from the  
Well Head.



### NOTES:

Elev. Ungraded Ground At Loc. Stake = 5553.5'

FINISHED GRADE ELEV. AT LOC. STAKE = 5552.8'

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017

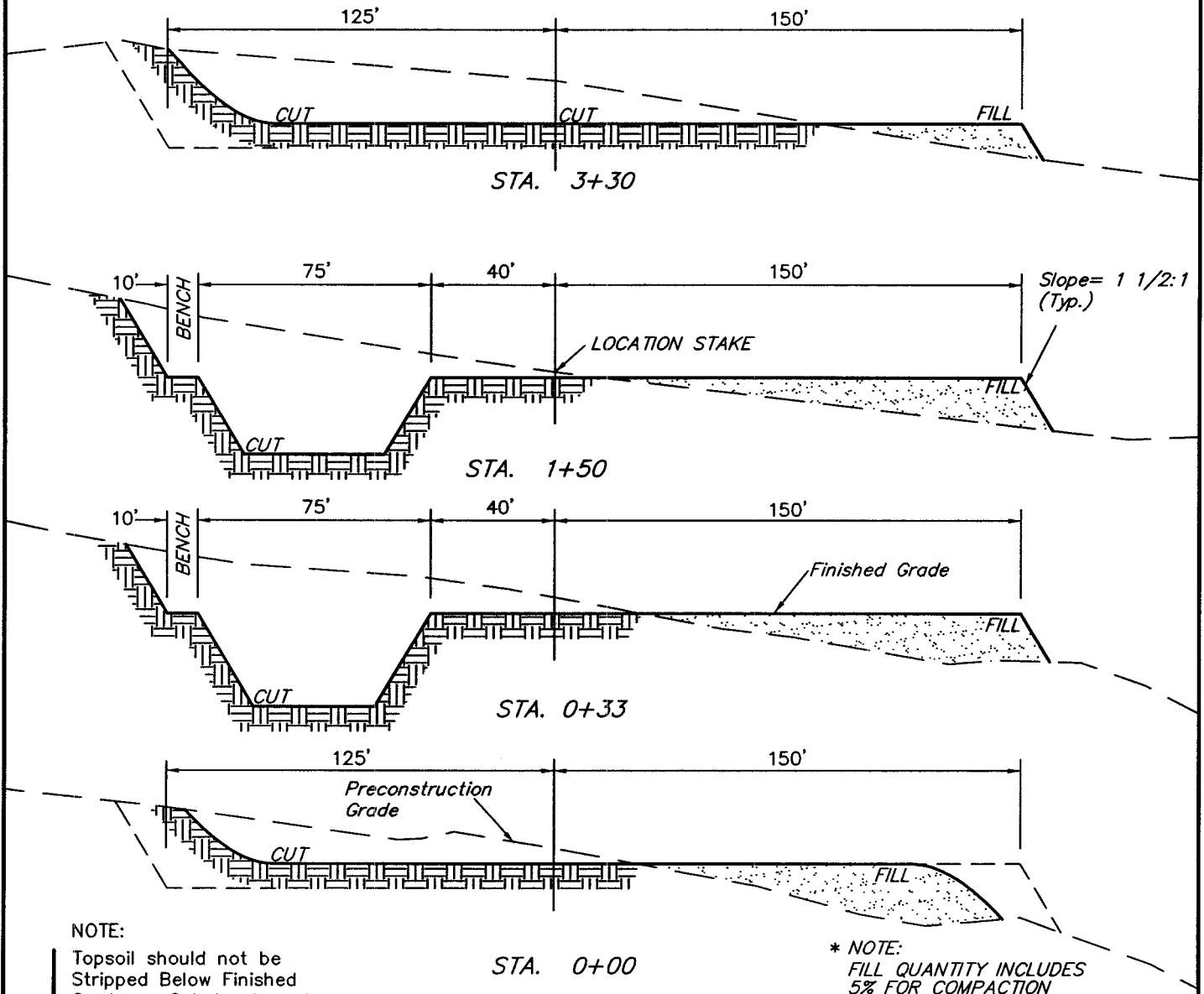
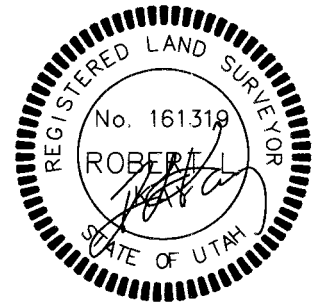
# ENDURING RESOURCES, LLC

FIGURE #2

## LOCATION LAYOUT FOR

BONANZA #9-24-24-23  
SECTION 23, T9S, R24E, S.L.B.&M.  
560' FSL 1878' FWL

1" = 20'  
X-Section  
Scale  
1" = 50'  
DATE: 08-07-08  
Drawn By: K.E.



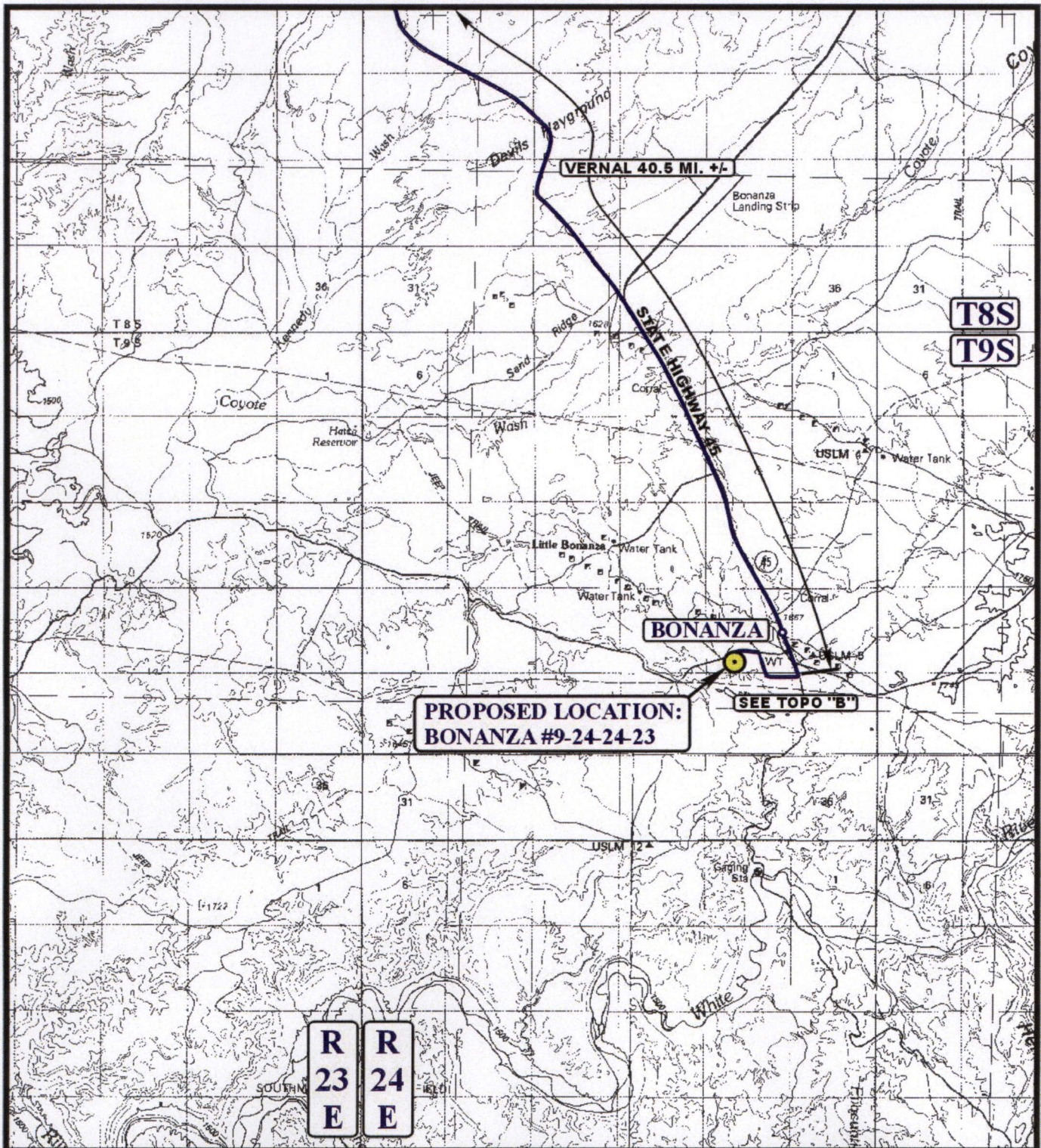
### APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 1,940 Cu. Yds.  
Remaining Location = 11,900 Cu. Yds.  
  
TOTAL CUT = 13,840 CU.YDS.  
FILL = 6,450 CU.YDS.

EXCESS MATERIAL = 7,390 Cu. Yds.  
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,635 Cu. Yds.  
EXCESS UNBALANCE (After Rehabilitation) = 3,755 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING  
85 So. 200 East \* Vernal, Utah 84078 \* (435) 789-1017





# **LEGEND:**

● PROPOSED LOCATION

**ENDURING RESOURCES, LLC**

**BONANZA #9-24-24-23**  
**SECTION 23, T9S, R24E, S.L.B.&M.**  
**560' FSL 1878' FWL**

**U&L S**  
**Uintah Engineering & Land Surveying**  
**85 South 200 East Vernal, Utah 84078**  
**(435) 789-1017 \* FAX (435) 789-1813**

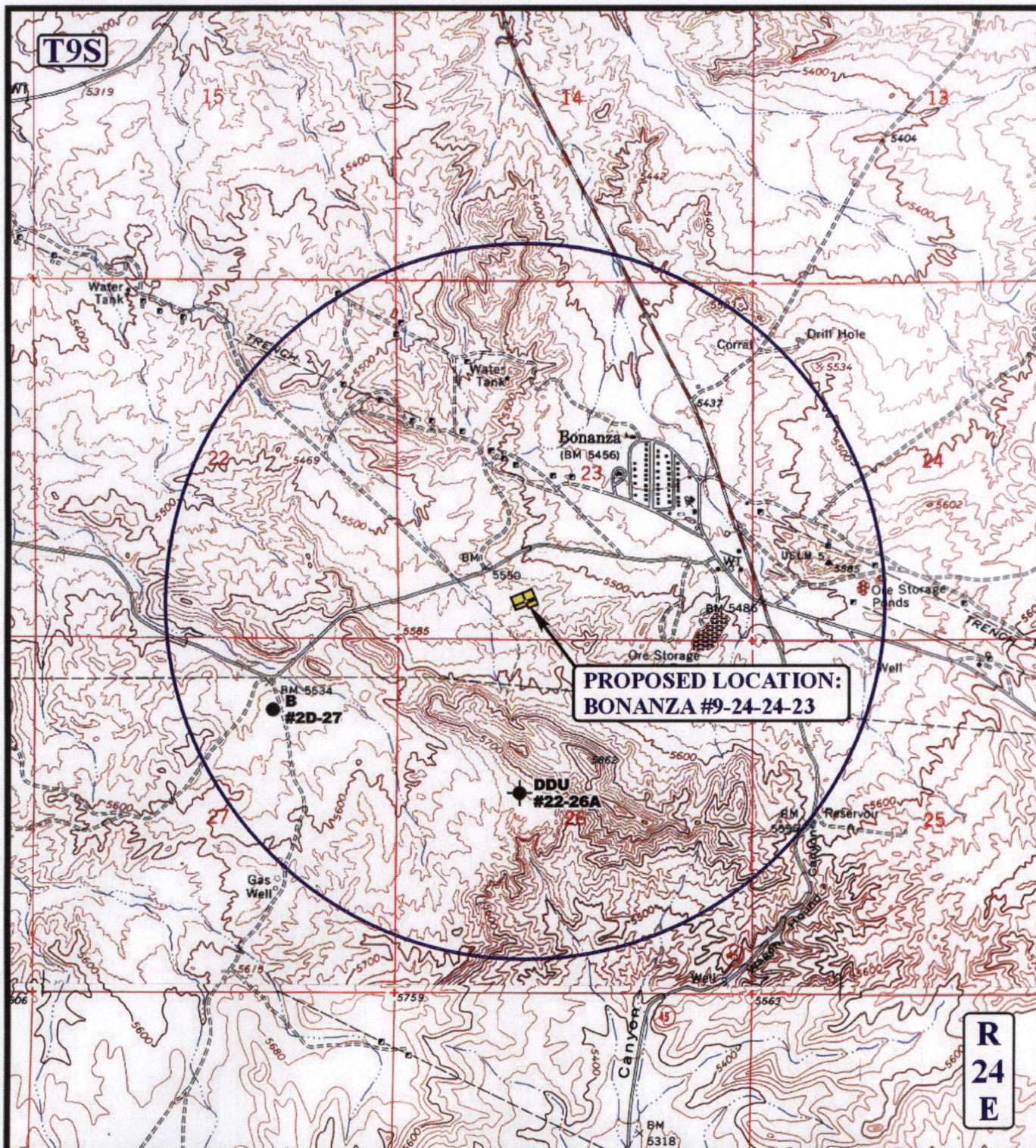


**TOPOGRAPHIC MAP**  
**01 31 05**  
**MONTH DAY YEAR**  
**SCALE: 1:100,000 DRAWN BY: C.P. REV: 08-13-08 Z.L. A TOPO**









# LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



ENDURING RESOURCES, LLC

BONANZA #9-24-24-23  
SECTION 23, T9S, R24E, S.L.B.&M.  
560' FSL 1878' FWL



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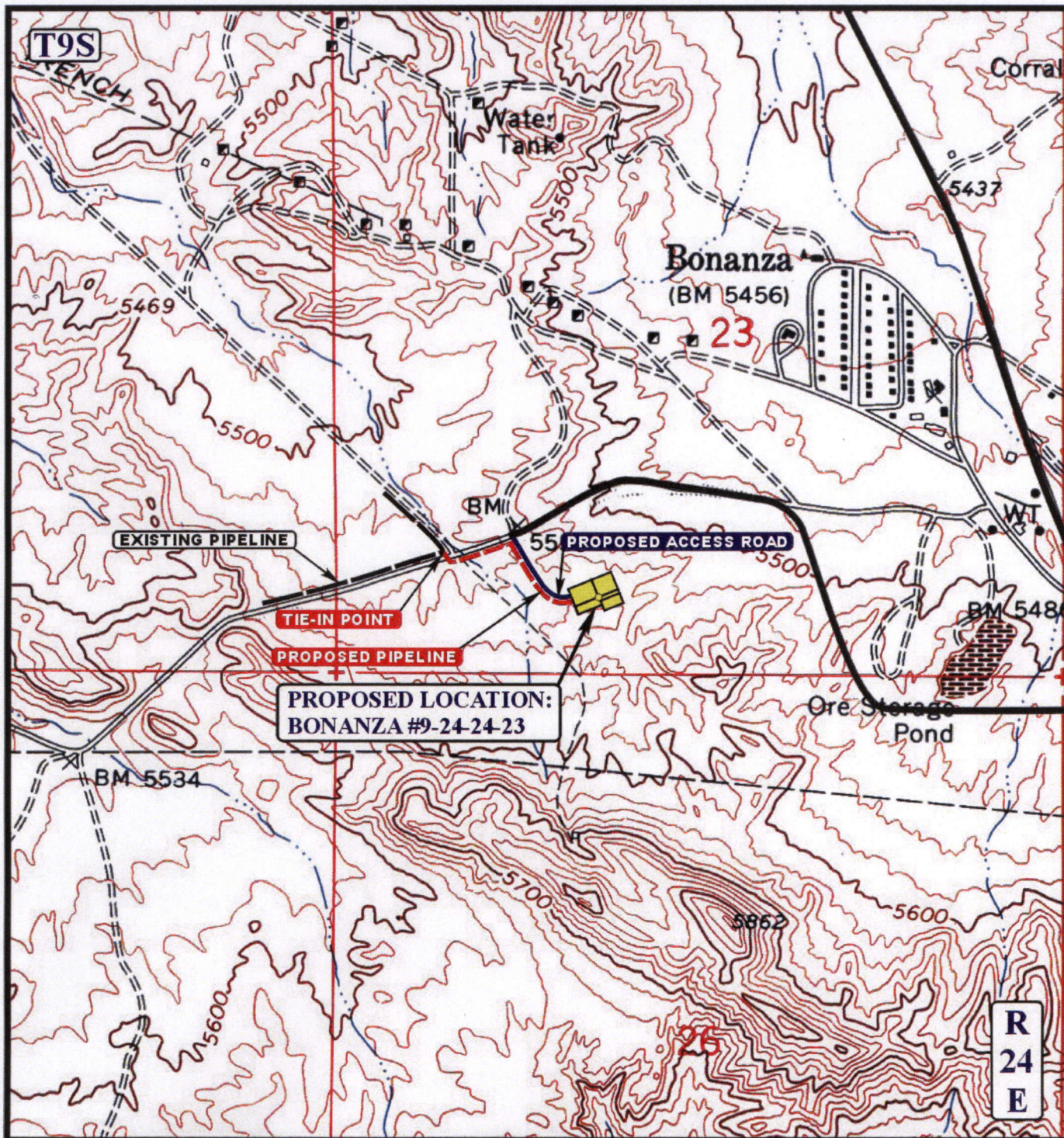
TOPOGRAPHIC  
MAP

01 31 05  
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REV: 08-13-08 Z.L.







**APPROXIMATE TOTAL PIPELINE DISTANCE = 1,250' +/-**

**LEGEND:**

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



**ENDURING RESOURCES, LLC**

**BONANZA #9-24-24-23**  
**SECTION 23, T9S, R24E, S.L.B.&M.**  
**560' FSL 1878' FWL**



**Uintah Engineering & Land Surveying**  
 85 South 200 East Vernal, Utah 84078  
 (435) 789-1017 \* FAX (435) 789-1813

**TOPOGRAPHIC**  
**MAP**

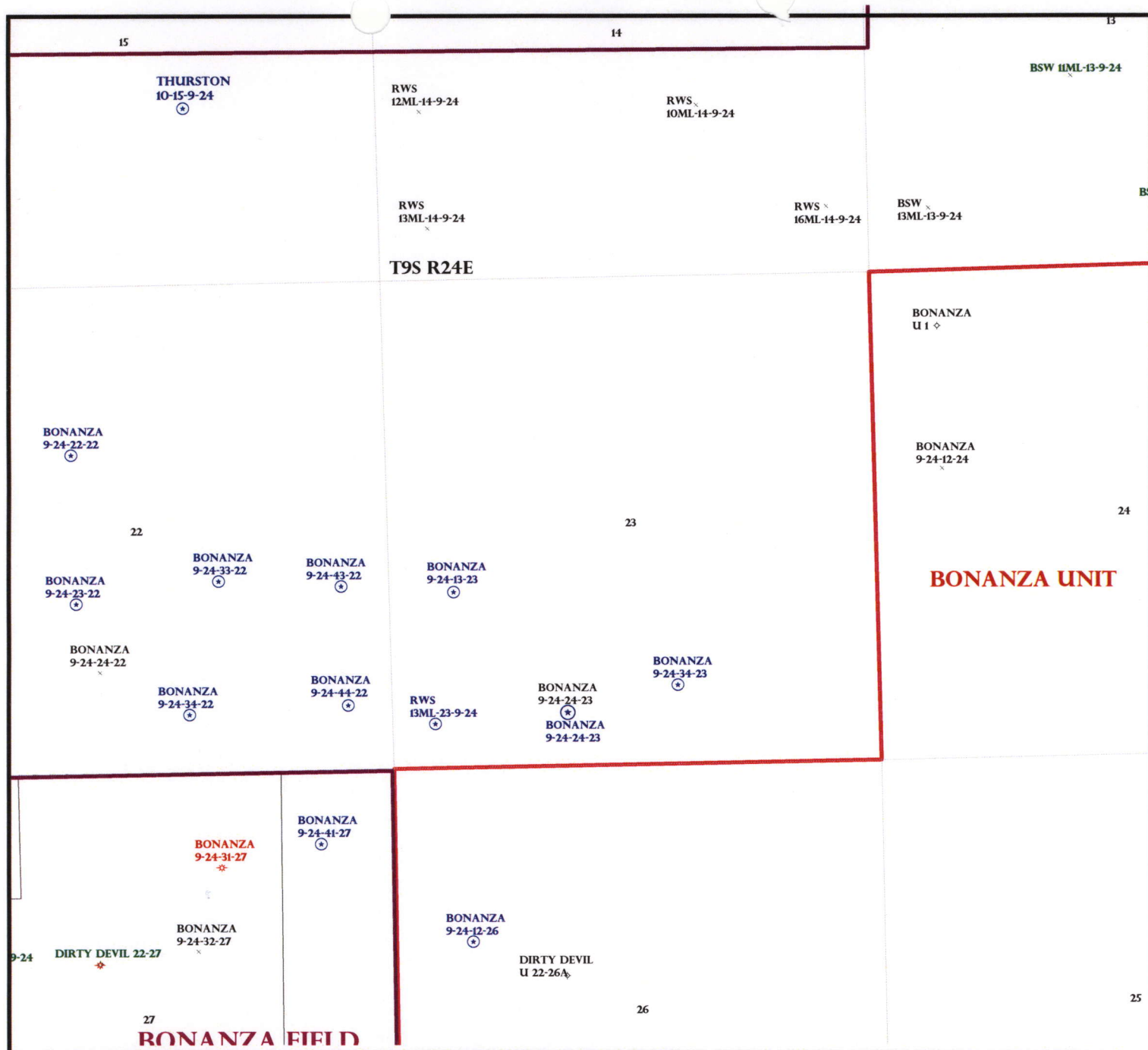
**01 31 05**  
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.P. REV: 08-13-08 Z.L.





- 1- Landing Approval
- 2- Spacing Strip



OPERATOR: ENDURING RES LLC (N2750)

SEC: 23 T.9S R. 24E

FIELD: UNDESIGNATED (002)

COUNTY: UTAH

SPACING: R649-3-2 / GENERAL SITING

**Field Status**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

**Unit Status**

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

**Wells Status**

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



PREPARED BY: DIANA MASON  
DATE: 28-AUGUST-2008



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

August 28, 2008

Enduring Resources, LLC  
475 17th St., Ste. 1500  
Denver, CO 80202

Re: Bonanza 9-24-24-23 Well, 560' FSL, 1878' FWL, SE SW, Sec. 23, T. 9 South,  
R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40338.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Uintah County Assessor  
Bureau of Land Management, Vernal Office

**Operator:** Enduring Resources, LLC  
**Well Name & Number** Bonanza 9-24-24-23  
**API Number:** 43-047-40338  
**Lease:** UTU-81311

**Location:** SE SW                      **Sec.** 23                      **T.** 9 South                      **R.** 24 East

### **Conditions of Approval**

**1. General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

**2. Notification Requirements**

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dustin Doucet at (801) 538-5281 office      (801) 733-0983 home

**3. Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

**4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.**

**5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

RECEIVED

FORM APPROVED  
OMB No. 1004-0136  
Expires July 31, 2010

AUG 20 2008

## APPLICATION FOR PERMIT TO DRILL OR REENTER

BLM

CONFIDENTIAL

1a. Type of Work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU81311
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator ENDURING RESOURCES LLC Contact: AL ARLIAN E-Mail: aarlian@enduringresources.com		7. If Unit or CA Agreement, Name and No.
3a. Address 475 17TH STREET, SUITE 1500 DENVER, CO 80202		8. Lease Name and Well No. BONANZA 9-24-23
3b. Phone No. (include area code) Ph: 303-350-5114 Fx: 303-573-0461		9. API Well No. 43-047-40338
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface SESW 560FSL 1878FWL 40.01564 N Lat, 109.18414 W Lon At proposed prod. zone SESW 560FSL 1878FWL 40.01564 N Lat, 109.18414 W Lon		10. Field and Pool, or Exploratory UNDESIGNATED
14. Distance in miles and direction from nearest town or post office* 41.6 MILES SOUTH OF VERNAL, UT		11. Sec., T., R., M., or Blk. and Survey or Area Sec 23 T9S R24E Mer SLB
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 560	16. No. of Acres in Lease 1476.41	12. County or Parish UINTAH
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1000 +	19. Proposed Depth 13040 MD 13040 TVD	13. State UT
21. Elevations (Show whether DF, KB, RT, GL, etc.) 5554 GL	22. Approximate date work will start 12/01/2008	17. Spacing Unit dedicated to this well 40.00
		20. BLM/BIA Bond No. on file UTB000173
		23. Estimated duration 45 DAYS

## 24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification.
6. Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) AL ARLIAN Ph: 303-350-5114	Date 08/20/2008
Title LANDMAN		

Approved by (Signature) 	Name (Printed/Typed) JERRY KENNELS	Date APR 27 2009
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

## CONDITIONS OF APPROVAL ATTACHED

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Electronic Submission #62419 verified by the BLM Well Information System

For ENDURING RESOURCES LLC, sent to the Vernal

Committed to AFMSS for processing by GAIL JENKINS on 08/20/2008 (08GXJ5906AE)

NOS APD POSTED 8/29/08

RECEIVED

AFMSS# 08GXJ5906AE

MAY 13 2009

NOTICE OF APPROVAL

DIV. OF OIL, GAS &amp; MINING

\*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\* BLM REVISED \*\*

UDOGM

08GXJ5906AE



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



**CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL**

Company: Enduring Resources, LLC  
Well No: Bonanza 9-24-24-23  
API No: 43-047-40338

Location: SESW, Sec. 23, T9S, R24E  
Lease No: UTU-81311  
Agreement: N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
Supervisory NRS:	Karl Wright	(435) 781-4484	
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	(435) 828-3544
NRS/Enviro Scientist:	James Hereford	(435) 781-3412	(435) 828-3546
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:	Dan Emmett	(435) 781-3414	(435) 828-4029
NRS/Enviro Scientist:	Paul Percival	(435) 781-4493	(435) 828-7381
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
NRS/Enviro Scientist:	David Gordon	(435) 781-4424	
NRS/Enviro Scientist:	Christine Cimiluca	(435) 781-4475	

Fax: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

**NOTIFICATION REQUIREMENTS**

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM  
CONDITIONS OF APPROVAL (COAs)***

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.
- This proposed well is located within the West Bonanza Area Natural Gas Well Development EA Project. Adhere to applicable COA's approved in the FONSI and Record of Decision for this EA that are listed below:

- **Geology and Minerals:**

Coordinate your construction and drilling operations with the holders of the Gilsonite lease in order to:

- Obtain Private Landowner Surface Use Agreement for access roads and pipelines.
- Avoid mineral development conflict.

- **Noxious Weeds:**

- Power-wash all construction equipment before commencing construction activities.
- On a weekly basis, power-wash all vehicles that will travel between WBA and outside areas that are infested with noxious weed species.
- The operator will be responsible for treatment and control of invasive and noxious weeds. Prior to any treatment on BLM administered lands, a Pesticide Use Proposal will be submitted to the Vernal Field Office for approval.

- **Transportation:**

- Limit use of roads by heavy equipment during the periods when the roads are muddy.
- Operator will perform normal operational winter maintenance: roads will be plowed to allow safe navigation. And if snow is heavy, plows will provide breaks in the snow piled berms to allow free movement of wildlife across all roads.
- When possible, operator will avoid grades > 8% when constructing access roads. Operator will utilize slope-stabilizing structures in areas of steep or unstable slopes.

- **Interim Reclamation:**

All portions of the well pads and ROWS not utilized for the operation phase of the project will be re-seeded. Post construction seeding applications will continue until determined successful by the BLM.

- During interim reclamation of the surface, the following seed mixture will be used PLS (Pure Live Seed) formula.



shadscale ( <i>Atriplex confertifolia</i> ).....	3 lbs/acre
rabbitbrush ( <i>Chryothamnus nauseosus</i> ).....	3 lbs/acre
galleta grass ( <i>Hilaria jamesii</i> ) .....	2 lbs/acre
needle & thread grass ( <i>Hesperostipa comata</i> ) .....	2 lbs/acre
hycrest crested wheatgrass ( <i>Agropyron cristatum</i> / <i>Agropyron desertorum hybrid</i> )....	2 lbs/acre

Rates are set for drill seeding; double the rate if broadcasting.

- Reseeding may be required if initial seeding is not successful.
- If no germination, contact BLM Authorized Officer.

- Special Status Plants: If Uinta Basin hookless cactus or other special status plants are found, construction will cease and the AO will be notified to determine the appropriate mitigation.
- **Specific Conditions Pertaining to Location Construction:**
  - Rock riprap around corner 2, in order to protect pad from nearby drainage.
- Restrictions for placement of surface pipelines:
  - a): Surface pipelines will be placed 5-10 feet outside of the borrow area.
  - b): Surface pipelines will be placed in such a way that they will not wander into the borrow area.
  - c): Pipelines will be buried at all major road and drainage crossings.
- Paint all facilities covert green within six months of installation, except those facilities which are required to comply with the Occupational Safety and Health Act (OSHA).

**DOWNHOLE PROGRAM  
CONDITIONS OF APPROVAL (COAs)**

**SITE SPECIFIC DOWNHOLE COAs:**

- A surface and intermediate casing shoe integrity test shall be performed.
- A variances are granted for Onshore Order #2-Drilling Operations III. E. Diverter head, OK Blooie line can be 75 feet. Rig mounted compressors less the 100' away OK. All other requirements in O.O. #2 III. E. Special Drilling Operations are applicable.
- The 10M BOP shall utilize a 10 M annular preventer and be tested in accordance with Onshore Order #2.
- Intermediate casing cement shall be at a minimum 200 feet inside the surface casing.
- Production casing cement shall be at a minimum 200 feet inside the intermediate casing. A CBL shall be run from TD to top of cement and a field copy shall be sent to this field office.
- The Gamma ray log shall be run from TD to surface.

**All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to.** The following items are emphasized:

**DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS**

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

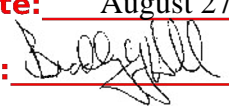
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

## OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - Operator name, address, and telephone number.
  - Well name and number.
  - Well location (¼¼, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - Unit agreement and/or participating area name and number, if applicable.
  - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		<b>FORM 9</b>			
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> UTU-81311			
<b>1. TYPE OF WELL</b> Gas Well		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>			
<b>2. NAME OF OPERATOR:</b> Enduring Resources, LLC		<b>7. UNIT or CA AGREEMENT NAME:</b>			
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500 , Denver, CO, 80202		<b>8. WELL NAME and NUMBER:</b> BONANZA 9-24-24-23			
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0560 FSL 1878 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SESW Section: 23 Township: 09.0S Range: 24.0E Meridian: S		<b>9. API NUMBER:</b> 43047403380000			
<b>PHONE NUMBER:</b> 303 350-5114 Ext		<b>9. FIELD and POOL or WILDCAT:</b> UNDESIGNATED			
<b>COUNTY:</b> UINTAH		<b>STATE:</b> UTAH			
<b>11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA</b>					
<b>TYPE OF SUBMISSION</b>	<b>TYPE OF ACTION</b>				
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 8/28/2009  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE  <input type="checkbox"/> CHANGE TO PREVIOUS PLANS  <input type="checkbox"/> CHANGE WELL STATUS  <input type="checkbox"/> DEEPEN  <input type="checkbox"/> OPERATOR CHANGE  <input type="checkbox"/> PRODUCTION START OR RESUME  <input type="checkbox"/> REPERFORATE CURRENT FORMATION  <input type="checkbox"/> TUBING REPAIR  <input type="checkbox"/> WATER SHUTOFF  <input type="checkbox"/> WILDCAT WELL DETERMINATION         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING  <input type="checkbox"/> CHANGE TUBING  <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS  <input type="checkbox"/> FRACTURE TREAT  <input type="checkbox"/> PLUG AND ABANDON  <input type="checkbox"/> RECLAMATION OF WELL SITE  <input type="checkbox"/> SIDETRACK TO REPAIR WELL  <input type="checkbox"/> VENT OR FLARE  <input type="checkbox"/> SI TA STATUS EXTENSION  <input type="checkbox"/> OTHER         </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR  <input type="checkbox"/> CHANGE WELL NAME  <input type="checkbox"/> CONVERT WELL TYPE  <input type="checkbox"/> NEW CONSTRUCTION  <input type="checkbox"/> PLUG BACK  <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION  <input type="checkbox"/> TEMPORARY ABANDON  <input type="checkbox"/> WATER DISPOSAL  <input checked="" type="checkbox"/> APD EXTENSION          OTHER:       </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER:
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<b>12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.</b>  Request one-year APD term extension.					
<p style="color: red; font-weight: bold; margin: 0;">Approved by the Utah Division of Oil, Gas and Mining</p> <p style="color: red; font-weight: bold; margin: 0;">Date: <u>August 27, 2009</u></p> <p style="color: red; font-weight: bold; margin: 0;">By: <u></u></p>					
<b>NAME (PLEASE PRINT)</b> Alvin Arlian		<b>PHONE NUMBER</b> 303 350-5114			
<b>SIGNATURE</b> N/A		<b>TITLE</b> Landman-Regulatory			
<b>DATE</b> 8/25/2009					

**RECEIVED** August 25, 2009



**The Utah Division of Oil, Gas, and Mining**

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices**

**Request for Permit Extension Validation Well Number 43047403380000**

**API:** 43047403380000

**Well Name:** BONANZA 9-24-24-23

**Location:** 0560 FSL 1878 FWL QTR SESW SEC 23 TWNP 090S RNG 240E MER S

**Company Permit Issued to:** ENDURING RESOURCES, LLC

**Date Original Permit Issued:** 8/28/2008

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated? ☐ Yes ☒ No
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? ☐ Yes ☒ No
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? ☐ Yes ☒ No
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? ☐ Yes ☒ No
- Has the approved source of water for drilling changed? ☐ Yes ☒ No
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? ☐ Yes ☒ No
- Is bonding still in place, which covers this proposed well? ☒ Yes ☐ No

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

**Signature:** Alvin Arlian

**Date:** 8/25/2009

**Title:** Landman-Regulatory **Representing:** ENDURING RESOURCES, LLC

**Date:** August 27, 2009

**By:**

**RECEIVED** August 25, 2009



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas and Mining

JOHN R. BAZA  
*Division Director*

October 28, 2009

Al Arlian  
Enduring Resources, LLC  
475 17<sup>TH</sup> Street Ste 1500  
Denver, CO 80202

Re: APD Rescinded – Bonanza 9-24-24-23, Sec. 23, T.9S, R. 24E  
Uintah County, Utah API No. 43-047-40338

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 28, 2008. On August 27, 2009 the Division granted a one-year APD extension. On October 27, 2009 the Division received a letter from the BLM stating this APD is being rescinded due to lease number UTU-81311 expired by its own terms and conditions effective August 31, 2009. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 28, 2009.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Vernal





# United States Department of the Interior



## BUREAU OF LAND MANAGEMENT

Green River District

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:

3160

UTG011

October 7, 2009

Alvin R. (Al) Arlian  
Enduring Resources, LLC  
475 17<sup>th</sup> Street, Suite 1500  
Denver, CO 80202

43047-40338

Re: Notice of APD/Lease Expiration  
Well No. Bonanza 9-24-24-23  
SESW, Sec. 23, T9S, R24E  
Uintah County, Utah  
Lease No. UTU-81311

Dear Mr. Arlian:

The Application for Permit to Drill for the above-referenced well was approved on April 27, 2009. According to our records, Federal Lease UTU-81311 has expired by its own terms and conditions, effective August 31, 2009, and the case was closed at the BLM Utah State Office on September 21, 2009. In view of the foregoing, this office is notifying you that the approval of the referenced application and lease has expired.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4455.

Sincerely,

Cindy Severson

Cindy Severson  
Land Law Examiner

cc: UDOGM

RECEIVED

OCT 27 2009

DIV. OF OIL, GAS & MINING